Far Eastern Adventures With Six Gold Sovereigns

In Which It Is Disclosed That Gold Has Disappeared From Circulation and May Be Had Only at a Fancy Premium-Sidelights on Banking Methods and the Question of American Investment On the Other Side of the Globe

By Herbert Fitch

easily follow the changing sentiof creating a favorable atmosphere securities in America at some future appeared from the earth; and newer Not So Much time. China, in particular, appears to have been highly hand-painted as licanism have taken its place.

China—A Stimulus

To the Imagination

China is a name to conjure with. Any man with a trusty Year Book in front of him can write a romance about it from any desirable angle. The reader can be made to think heaven or hell. With four hundred or four hundred and fifty millions of people, more or less, what latent ferent now. In every country I in bidding me \$9 for what was whenever they are compelled, on action the Hong Kong paper dollar is in circus. "What can you do to s chergy there is, if it could only be have visited during the last year worth nominally only \$8.57, and count of shortage in paper money, lation at a liscount compared with silards of efficiency! What a field for advanced taxation! What possibilities for the white man! Think of America. Storehouses have be- moment! the natural resources! The story things. Commodities and securities European bank, together with fused at an official place of redempwith gold which the Chinese would

upon Japan "for her own good." A Fruitless Now that she has pried her way unaided into the ranks of the great Search for Gold

ency and imperialism may have dis- were now a shade lower.

European conflict enjoyed commer- une has exposed. Now I shivered actually on a gold basis to-day?" ing goods freely to Europe or to according to the fluctuations of the of gold in change. No one wants tender. Even small silver has al- and their dividends are large. They fairs.

nations, some of us, particularly if On my trip I carried London we happen to manufacture things "pounds sterling" credit. This is which Japan can duplicate at much ordinarily supposed to be payable in lower costs, have pretended to grave gold throughout the world, if anyfears of what the Germans have thing is. In New Zealand when I were to be compared with the others named the "Yellow Peril." These asked for a few gold sovereigns I fears have been definitely assuaged by recent exchanges of official notes. To-day the Nippon people. These derivative mandate of the imperative mandate of war that climate or fertility. In all the domain on the credit of the countries of the large view, the idenlistic view of this great country extending from the credit of the semi-tropics across the desert and the large view, the idenlistic view of this great country extending from the semi-tropics across the desert and usefulness in carrying on the retire of the subconscious philosophy of the semi-tropics across the desert and usefulness in carrying on the retire. whom we choose to call "yellow," to be had. In Brisbane I heard that Money Speculation and ourselves, somewhat tanned, premiums of from one to two shill- Crippled Trade whom we modestly term "white," ings on the pound sterling were

migrations. I think they will specious reasons were given for the spread to the northwest, along the line of least resistance.

Specious reasons were given for the scarcity, the principal one being stand. Whenever there is a crisis it is understand the next-to-sacred character of the promises contained in of 10 cents and 25 cents local currency of 10 cents and 25 cents local currency of about \$0.055 and \$0.135 United states.

States gold.

Specious reasons were given for the gray trying to figure how they of millions of sair people, who issue paper currency in denominations of 10 cents and 25 cents local currency of about \$0.055 and \$0.135 United states.

States gold.

Specious reasons were given for the gray trying to figure how they of millions of sair people, who issue paper currency in denominations of 10 cents and 25 cents local currency of about \$0.055 and \$0.135 United should be about \$0.055 and \$0.135 United should be

Difference After All

the best magazines of the Orient, her securities will not be good for when the market all over the Street one comparable in a way with our "Atlantic Monthly" or "Century," hilanthropically inclined that they was from \$10 to \$10.50. The bank the profit. has lately referred to many of the has lately referred to many of the has lately referred to many of the recent articles about China and China's upbuilding in the way that European banks in the East foreign exchange bankers can prevent it? France aided America during our were doing all they could to check vent it? the despicable speculation in Eng- Should Americans In the Far East economic lish gold which was being carried on Invest in China? problems are grave. They are also by low-class East Indian and Chigrave in the East Indies and in the nese money changers. In New

profusely issued and forced as legal Their shares sell at many times par, public know the true state of af-

| shall say, the America of 1775. banks in Singapore I received wads | European bank which handled my But America in those days had, too, of ancient Straits paper money on funds as to what they might pay me her sacred mountains-the pin- my London draft. After stowing for the six gold sovereigns which I CHOULD Americans invest their nacles of religious freedom and it in various pockets I asked the exmoney in the Far East, or civil liberty. She, too, had vast unchange clerk what the bank was Hawaii, where they had been given should they put their surplus touched natural resources, she had paying that day for English gold me freely at par on my London Let him go out to China and "sense" savings into American securities, avaricious foreign meddlers and sovereigns, worth \$8.57 at parity. credit. A supercilious gentleman the situation. I am sure he will rereal estate and new home enter- miserable Tories in her midst. She He straightway bid me \$9, and leaned over the polished counter succeeded in carving her own desti- would have taken quick advantage and said: "O-ah, if you really want In ordinary times, before the war, nies despite these adverse in- of my ignorance of values, although to change them we can let you have be found in the world in these parthis question would have been one fluences. Japan has followed. the bank had just put itself into \$8 Mexican for them." Unwilling lous times, particularly in view of for each individual to decide for hind. China will follow, a long way be-what we would call a trust relation to put myself under great obligations, I went out on the street and been deflated and have got down. himself, as no great economic prin-eighteenth centuries France, Eng-my London banker—whose cor-began to negotiate with the Chinese ciples were involved. Now we have first to think of the nation's inting now in Japan, and it will continue on its western way through
to earth again. Government operaing my draft, which paid them well.

respondents they were—and accepting my draft, which paid them well.

reprehensible traffickers in gold to be
not have first and second of our own. China. It may in time reach Ger- Some impulse prompted me to check thoroughly reliable. I sold my few the lowest possible prices this win-Here in the Orient one cannot land and Spain accepted the new up the market, although I should gold sovereigns at \$8.70—exactly ter. The standard American railculture of the Italian Renaissance- never have thought of going beyond 70 cents higher than my bank had ment at home. Detailed news is the Florentine ideal. These nations my bank had I been in New York, bid me. This was equal to about become more like the Great Northpassed it on to America; it is unfold- London or Paris. I later learned \$6.10 American. At last I thought ern and less like New Haven & us. From perusal of the popular ing now in Japan, and it will con- from the cashier of one of the big I had made a profit, after having Hartford. The public will not suftinue on its western way through department stores that throughout been bitten by adverse exchange much weight with mercantile interrepresentatives in the Far East, I Possibly it will take China fully close gold market—as reliable in afraid of their opinion of me. They toms of the rude Germanic hordes. in Singapore there was a broad, did not return to the bank. I was should think that a great propa-twenty years or more to find herself. every way as that for Standard Oil might have already learned that I ganda, or campaign of education, is by that time the fashion for build- shares in the outside market in New had come into their preserves and High Price of ing great nations upon the shaky York-and that gold sovereigns had made a profit in gold at a time foundations of commercial expedi- sold that day as high as \$10.50, but when they and their associates were trying to discourage the despicable Chinese speculation. When I reached the hotel it dawned upon me that the six sovereigns belonged While China is in the remaking I I returned to the bank and inquired to my wife, and that I had been cidentally, I might say that one of the Orient.

While China is in the remaking 1 am convinced that investments in how they happened to bid me \$9 carrying them so long that I thought U. S. Consul General, Hong Kong, them my own. So I did not make

antipodes and, one might say, York I have shivered in the chilly most concerns us Americans. "Why everywhere else. At first, in 1914, air exhaled by clerks in bargain should any American invest money all countries far removed from the stores of the kind which The Trib- in China, or in any country not

gold so long as he can be sure he

mortgages on physical property of undoubted liquidating value, the first consideration is the moral risk.

United States. This will tend to reduce the first consideration is the moral risk.

War forces a nation to an intensive lippine coins to the amount of metal struggle, certain phases of our work there is no land that is entirely value-filmy product of a nation's fancy, the day dream of a monumental national less.

War forces a nation to an intensive ego. It is to be as substantial as hard ego. It is to be as substantial as hard ego. are diplomatic brothers. We shall being given for gold. None was in In China and the treaty ports sions have often in the past been of silver. likely remain as such until the irre- sight in the Netherland East Indies, conditions were still worse. Trade issued too liberally, either through sistible impulse which is constantly although guilders, equal to 40 cents was badly crippled through wild necessity or otherwise. Particularcrowing the fecund Japanese from American before the war, now cost speculation in money. The Mexily in America, municipal bonds have can dollar is the theoretical medium frequently been put out in startling issued in denominations of 50, 20 and the service. of the earth shall force them once The Straits Settlements are nomi- of exchange, but paper money is the quantities through the whims of 10 sen (respectively \$0.25, \$0.10 and again into clash with the frontiers of resisting humanity. Then we rate of 2 shillings 4 pence to the There is no fixed parity between willing to burden their fair cities newspapers announce that this paper lica is an invaluable ally to the West- that make a modern industrial pation. of resisting humanity. Then we rate of 2 shillings 4 pence to the There is no fixed parity between willing to burden their fair cities newspapers announce that this paper ica is an invaluable ally to the Westmay think of them as devils. But Straits dollar, or \$8.57 Straits gold and silver. Nominally, they with huge debts in order to gain for currency will be issued to the amount ern powers, it will be found in the adis something of which we may be whatever we or they may think, they will not be able to prevent themselvees from being impelled themselvees from being impelled themselves the evanescent name of the pound sterling. Not are on a silver basis, but the whole system, if there ever was any, has these obligations are secure, because the energies of those who pushed their stalments. The government of Singapore Straits Settlements, where fixed government lands. On these the native to use. But we soon realize when we produce men they are backed by the basic honor government lands. On these the native to use. But we soon realize when we produce men they are to meet. This new America, as the contribute to the world raw produce men they are to will contribute to the world raw produce men to the

European, has more of the spirit of the East than of the West in these matters, and should be counted as Men of Science Quick

Different Standard of Commercial Honor

If the natives of these Oriental countries-I except Japan, which in commerce and finance is more American than Eastern-do not understand Western ideas of paper promises, what shall we say of some of the foreigners who have settled down in the Far East to make speedy fortunes, always with the hope of going "back home"? I regret to say that, in my opinion, there does not exist generally in the East the same ideas of commercial in America and Europe.

If the reader is ever tempted to

go into Far Eastern investments I

would suggest a hurried trip to the Orient before risking any money. turn quite well satisfied that good fer through closer restrictions and

regulation in their interest. (Copyright, 1918, by The Tribune Association)

Silver Upsets Currency Systems

By George E. Anderson, British China

ITH a monetary circulation in silver or in paper currency based upon silver, Hong Kong and its South China business field are having less local trouble at the present time with their currency than countries in the Far East whose money is based upon gold. After all the ups and downs and the retirement of large Now comes the question which quantities of subsidiary coins to place Hong Kong's currency on an equality with its various elements, the present peaceful course of its monetary af-

profiteering in agricultural and simple was his explanation, and basis. In Honolulu the clerks at on a par with the standard silver dol- the glory of war—that it has but a manufactured products. It is dif- what high motives had actuated him the stores will apologize to you lar. By reason of the prohibition of the lack of ships has prevented send- actually worth from \$10 to \$10.50, to return you a considerable amount lation at a liscount compared with silver in the South China provinces, but It is the directness and the fullness this is due to the fact that so long as of this challenge that gives war its come filled, some with perishable Later I learned that this great can get it. The moment gold is repaper dollar is not convertible into the horrors. the export of silver is prohibited the spell and likewise gives birth to its markets have become demoralized; others of the same class, really tion, then the country in which the Kong. In a general way the value of To that question each individual and money has tightened; and metallic transact very little commercial or refusal is made is no longer on a Hong Kong and South China currency in each department of the government war we found ourselves prepared with

Difficulties in Other Countries.

Other countries in the Far East have most disappeared in the Straits Set- make most of their money through I shall have the apologists for fiat fact that the high price of silver has the earth, and that queer people thements and in Japan, where it has superior facilities for keeping in money and other unsound currency carried the value of their subsidiary lived there—hardly human, because lately become necessary to issue touch with the constant fluctuations, at my heels for these statements, and other silver coins higher than the subsidiary paper currency, cor- and by taking immediate advantage But I was not brought up in "Coin's gold value of these coins. The result responding to the "shinplasters" so of those who are not so well in- Financial School." I fought with has been that even where there has lands than on them. scientifically, as Europe and liberally emitted during our Civil formed. They are so powerful that my pen for sound money in 1896, been a prohibition of the export of such coing they have disappeared from America have been worked since the French Revolution, what vast hoards of new wealth might be added to the diminishing stores of the Aryan diminishing stores

mortgages on physical property of ippine coins to the amount of metal usefulness in carrying on the nation's the most forbidding wastes into the far school system,

exchange for silver currency is in op- tions rely to the foods and the min- thrown into such a struggle as this eration, has also been compelled to erals which make possible the war's war how far removed from entire in-

To Meet War's Challenge

On the Firing Line They Make Use of Many Discoveries Revealed by Years of Research Work Peacefully Carried On in Laboratory and Afield

By Franklin K. Lane Secretary of the Interior (From an Article in "The Nation's Business"

DEMOCRACY making war is never an agreeable sight, for it is not in its normal line of life. And those who sneer or jeer because it does not play the game as well as might be pay an unconscious compliment to the merits of free institutions.

It takes time to accustom men to the short, hard words of command and to the surrender of personal judgment. It is not easy, either, for a nation to turn its back upon the conception of a world where justice works out its ends by quiet processes, and in its stead come to the stern belief that the ultimate court is a battlefield. So if there is wrenching and sideslipping and confusion there should be no surprise. The surprise to me has been with what comparative ease the transition has been made, and how much unconscious preparation for the new work had been already

HIS has been a year of expansion within the nation. The acceptance of Germany's

worth while, and ideas, resources, powers which had hitherto been slight- to be characterized as a war of science. ingly regarded rose in their stead into

challenge and the realization that the

matters of prime national concern. into some form of shield or spear they could not play in the great game. cial booms as a result of war before this Singapore banker. How America is actually on a gold circulation in the colony substantially cial system. For this is the curse and single scale of measurement, it puts

> "What can you do to serve me !for now I am the nation."

situation, now more aggravated than ever. He agreed that these "exchange banks" had no counterpart in stable European countries, nor in America, and that their gains were a more aggravated than always seemed to understand what argely the small tradesmen's and merchants' losses. He also averred that some of the American "exchange banks" operating in the East were to be compared with the others — all of them out for all they could be an Impossibility

only this one pillar to bring our (\$.025 U. S. gold) to the amount of I. (\$.025 U. S. gold) to the amount of I

work has been well done is testified to what we have. One illustration will by such figures as these: This year make this clear. We have great use the United States will produce roughly for sulphuric acid and our developed 550,000,000 tons of coal, 300,000,000 bar- sulphur mines have not furnished rels of petroleum, 70,000,000 tons of full supply. Certain of our industries iron ore, and over 3,000,000,000 bushels largely depend on the sulphur that we

more than a test of primal resources; back with Spanish pyrite. it tests the full powers of the nation as we have found, are not to be creater in every resource and capacity, and by rubbing Aladdin's lamp, so our especially along lines of scientific pyrite supply fell short of the demand knowledge. And here again we find for the sulphuric acid that cuts the that the ways of peace have given phosphate rock into fertilizer for something in the way of preparation Southern cotton. for war. The scientific bureaus of the government found themselves converted over night into adjuncts and auxiliaries in the great international contest. Men who had regarded themselves as modestly useful only in the discovering and revealing of new sources of material strength found that their years of experience in the mountains and on the desert, in laboratories ful of Southern manuface and in mines, called them at once entered with a statement and in mines, called them at once into the thick of the European strug-

When the Bureau of Mines was created by Congress, five years ago, it was hardly to have been imagined that the methods used for the saving of life in methods used for the saving of life in the coal mines of the United States the coal mines of the United States that was almost life than the bas led would become vital in the problem of versation that has led saving lives and destroying lives in a of five mines yielding happened. Germany, which has been is over will be increased world war; yet this is just what has which it national life was now at stake brought at once a new sense of the relative importance of what we did what we had portance of what we did, what we had perience has developed a form of warNow that our problem and how we used it. Things fell away fare which had not before been known, as of little value which had hitherto been accepted without questioning as a modern expression of those diabolibe seen that the physical inventions such as the cervi stimulibe the United States are which made Cæsar's campaign in Gaul

To meet this new method of attack by deadly gases, the Western powers and Unless we could transmute gold and promptly provided gas masks which what more would ha silver into coal and iron they could no | contained chemical absorbents or other longer be called the precious metals, agents that would negative the effects hardest test and unless men had the power to con- of the gases sent adrift by their ene- our internal developm vert skill, strength and imagination mies. The soldier's kit, which was so simple a thing in other wars, had to be have been done by a pe increased by a gas mask not unlike the doing so much.

Of one thing, Therefore we made new appraisal of helmet of a deep-sea diver, with a box ourselves in terms of ability to do of chemicals adapted for offsetting the sure, that a na something they would be the sure of the various binds of the self-sufficiency something that would hasten the great effect of the various kinds of gas the under what day of peace. We judged each other enemy was known to use; and for spe- ment withdrawal day of peace. We judged each other by primal standards of proved capacity, not by the standards of a superficial social system. For this is the curse and new to the world. For some years there and petroleum. has been keen rivalry between the great mining nations as to the one which provided the best. They were put on by both houses those who went into the mine where poisonous gases from explosions or fires were known or supposed to exist. Every rescue gang wore them. This wa country claimed that it had improved upon the English, German and French

currency largely driven out of cirdiscount business as we know it in strictly gold basis, no matter what gold goes up and down with the course must give answer. The answer of the the knowledge, the machinery and the not permit the white man to open up because they did not understand up because they di up because they did not understand the inexorable law that cheaper banks." They do not call themhow any one could be so sacrilegious the inexorable law that cheaper banks." They do not call themlaws of expediency may have been the inexorable law that cheaper banks." They do not call themlaws of expediency may have been to remain in the same relation to every agency and activity which it has masks in great quantity and of a sunging function of the service of those departments. how any one could be so sacrilegious as to dig into a holy mountain in order to get mere metal. I heard order to get mere public danger repudiation of gold pays to the mere metal order to get mere metal. I heard order to get mere metal order t Our men of scientific knowledge compounded in nature's laboratory upon Washington at -metallurgists, chemists, engineers, were found to have a reserve of knowltopographers—have found new work at edge as to what gases will kill and in any form of war work their hands. The homesteaders and what will choke and what will burn conduct were no the miners on the public lands have been released from their obligation if war of cumulative frightfulness of communal value. I been released from their obligation if they go into the army or show themsalvas to be of greater service of their would make the United States modwhich has been thought above the selfish acquis selves to be of greater service off their estly distinguished if it wished to so was forem

diminishing stores of the Aryan races! What a boon it would be to when I state that the only gold I good for the so-called bankers.

tent paper money has come to be change. It is bad for business; it ley. They did not beat him. We or simply hoarded. The situation has tions joined in the campaign for more when I state that the only gold I good for the so-called bankers, without qualifications; and we have standard countries in the East have fice has been severed for new devices. without qualifications; and we have standard countries in the East have fice has been searched for new devices they came out of nature's storehouse, sense, a social as distinguished they came out of nature's storehouse, sense, a social as distinguished they came out of nature's storehouse, sense, a social as distinguished they came out of nature's storehouse, sense, a social as distinguished they came out of nature's storehouse, sense, a social as distinguished they came out of nature's storehouse, sense, a social sense. was able to get—except by special I discussed these points with an maintained it to this day. If not been compelled to adopt paper curtant could be brought into use to kill not thinking or not caring how much a personal sense. white men have been telling each arrangement or by purchase in the English business man who has been the greatest, it has been one of the rency for subsidiary circulation. In the submarine or limit its destructiveof any mysterious value they concealed. open market—during my entire in the East for many years, and who greatest contributing causes of our the Philippines paper currency has ness, for the plans of heretofore un-Western civilization for their own journey through Australasia, the has been hampered by this unsound unequalled prosperity. We needed seem issued by the Philippine National used lethal weapons, and for the form-Journey through Australasia, the Indies and the Orient was at Hono- Indies and the Orient was at Hono- Situation, now more aggravated than only this one pillar to bring our (\$.025 U. S. gold) to the amount of 1,- of power. Before war actually came and out of the infinitely little and ob-

like Great Britain, and her people are not less profific than were the are not less profific than were the Anglo-Saxons of a hundred or five hundred years ago.

Anglo-Saxons of a hundred or five hundred years ago.

China is all right—as China: But I believe she is quite as dangerous to meddle with as any derous to meddle with as any dever been in the past, tached, self-contained nation, has ever been in the past. There are not less profife than were the are not less profife than were the hundred or five hundred years ago.

On the other and 35 cents local currency, but of the nation is possible to be were taking it out, or hoarding it. Work about 50 cents American people when the without the coal operator, the oil cited but when the without the coal operator, the oil cited but with a twich less gold.

On the other are not less profiled than were the and the soldier—are important without the coal operator, the oil cited but with a twich less gold.

States gold.

On the other are not less profiled than were the soldier—are important without the coal operator, the oil cited but with a twich lie and the which less gold.

Natural the which less gold.

States gold.

On the other are not less gold.

I was gradually learning better than the will of the author in portion of the winds with a twich the soldier—are important without the coal operator, the oil cited but with a twich the state gold.

I was gradually learning better than the will of the

of corn, an increase of over 600,000,000 can roast out of pyrite ore that comes from Spain. The ships that have co But the making of war to-day is far ried our wheat abroad have loads

In studying a map of Southern ore deposits with relation to the placing that pyrite was to be found in a stretch of the mountains running from northern Georgia to central Alabama, And looking for a place—"not under the spotlight, I'm not a prima donnn; ju a man's job; something somebody els would shy at."

eurely that Congress will release thes resources by passing those leasing bills which have been so long pending in

But this war is not to be won by above the selfish acquisi

from extraordinary rises in the value of silver.

Japan Issues Small Notes
In Japan, according to a newspaper announcement, paper currency is being issued in denominations of 50, 20 and 10 sen (respectively \$0.25, \$0.10 and \$10 sen (respectively \$0.25,

ucts with most generous hand. But the ultimate resource of the nation is not that which lies within the ground, but

paredness for this war, and that his we do not know or have not developed man's mind.